

**IC STAFF
Routing Slip**

TO:	ACTION	COORD	INFO
EO/ICS			LA
D/ICS			LA
DD/ICS			LA
DD/RE			LA
EA-D/ICS			LA
SA-D/ICS			LA
SA-D/ICS-EP			
REO			
COMIREX			X
SIGINT			
HUMINT			
MASINT			
IPC			
PBO			X
PPO			
CCISCMO			X
IHC			
RDCO			
LL			X
SECRETARIAT			
ADMIN			
REGISTRY			
<p style="text-align: right;">OCT 1988</p>			
<p>SUSPENSE: _____ Date</p>			
<p>REMARKS:</p>			

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OCA 88-3144
30 September 1988

MEMORANDUM FOR: The Director
The Deputy Director

FROM: John L. Helgersen
Director of Congressional Affairs

SUBJECT: Weekly Report

Grassley Amendment - Presidential Action: Late last week the President signed the Fiscal Year 1989 Treasury, Postal Service and General Government Appropriations Act. The bill contained, among other provisions, the FY '89 version of the so-called "Grassley amendment" that purports to restrict the use of secrecy agreements containing the term "classifiable." In a strongly worded signing statement, the President indicated that although he was signing the measure, he disapproved of the amendment. He stated further that because of the federal district court decision finding the amendment an unconstitutional infringement by the Congress on his prerogatives, he would regard the FY '89 version as null and void unless and until the Supreme Court reversed the lower court decision. That decision was recently appealed to the Court by several of the losing parties, including some Members of Congress. [REDACTED]

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Procurement of LANDSAT/SPOT Data: The DOD Appropriations Bill contains a provision limiting the procurement of LANDSAT and SPOT imagery data, providing only that the Defense Mapping Agency can acquire it. [REDACTED]

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Tax Technical Corrections Bill: The technical corrections bill to remedy problems in the Tax Reform Act of 1986 has stalled in the Senate. The act contains a provision which requires reporting of certain contract information, an issue which would require the Agency to report sensitive and classified information. There is a provision in the technical corrections bill which would exempt certain classified or sensitive contracts from the reporting requirements. It is possible that the measure may yet be enacted before the Congress adjourns. If not, the bill will be taken up in January at the start of the next session. [redacted]

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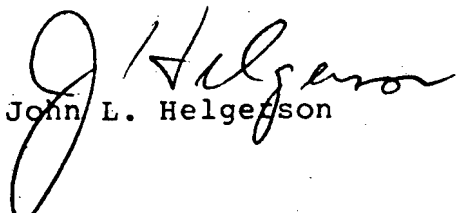
N.Y. Housing Allowance: The House Intelligence Committee staff proposed earlier in the week that the Agency employees living in N.Y. City increase their contribution for housing from 5% of their salary to 20% of their salary. In exchange, the House Intelligence Committee would go along with the Agency reimbursing employees for any tax owed on the housing allowance provided to the employee. The IRS had recently ruled that such allowances are taxable. This proposal parallels legislative relief that has been granted to State Department employees living in N.Y. City. We informed the House Intelligence Committee staff that their proposal to raise employee contribution for housing to 20% of salary was unacceptable because it would make it very difficult to recruit high caliber officers willing to serve in the N.Y. City area. The Committee staff emphasized that benefits to Agency employees should not get too far ahead of the compensation package provided to State or FBI employees serving in N.Y. City. The staff seemed willing to explore alternative compensation packages for our employees that would provide relief from the IRS ruling. [redacted]

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Task Force on Counterintelligence and Security: The Senate Intelligence Committee has established a task force composed of eight staffers to look into progress and problems in the areas of counterintelligence and security. The task force has asked for briefings from the Agency and other members of the intelligence community on embassy security, the New Office Building in Moscow and personnel security. The task force intends to publish a series of internal memoranda with recommendations for Committee Members on the results of their research. The staff has expressed a particular interest in the implementation of the Security Evaluation Office.

[redacted] is scheduled to brief them on 6 October 1988.

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John L. Helgeson

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